

SUMMARY OF SELECTED SENATE & HOUSE PROPOSALS RELATED TO K-12 COMPENSATION AND LEVIES

<i>Bill</i>	<i>SB 6103 (Sens. Hargrove & Ranker)</i>	<i>SB 6104 (Sen. Rolfes, et. al)</i>	<i>SB 6109 (Sen. Dammeier, et. al)</i>	<i>Rep. Hunter Proposal</i>
<i>Compensation</i>	<ul style="list-style-type: none"> • Intent section - Legislature intends to implement a plan to phase-in a compensation system for Certificated Instructional Staff (CIS), Classified Staff (CLS), and Certificated Administrative Staff (ADM), to be completed by 2021-22. • Specific changes to compensation are not specified. 	<ul style="list-style-type: none"> • Compensation phased in beginning 17-18 SY. • For 2017-19 biennium allocations, CAS increased to \$99,765 and CLS are increased to \$43,153. • CAS/CLS increased from 2017-19 values to \$105,158/\$45,486 in equal annual increments with targeted values achieved in 22-23 SY. • CAS/CLS values to be adjusted for I-732. • Specifies CIS salary grid for 17-18 SY through 22-23 SY. • Beginning SY 23-24, uses a modified version of Compensation Technical Work Group (CTWG) salary grid. Extra pay for Master's permitted, but only if relevant to assignment, as locally identified. • During implementation, COLAs only provided to teachers not moving up on the implementation grid. After SY 23-24, COLAs applied to grid. • SY 23-24 CIS: min = \$48,000, max = \$77,000 • District may pay up to 10% above grid with local dollars for non-basic education purposes only. 	<ul style="list-style-type: none"> • Compensation phased in beginning in 17-18 SY and completed in 18-19 SY. • CIS salary grid revised to a modified version of the CTWG grid. • Salary levels determined through an Employment Security Department analysis. • Extra pay for Master's permitted, but only if relevant to assignment, as locally determined. • CIS Salaries required to be the salary specified on the grid, beginning September 1, 2017. • Authority to enter into TRI contracts is stricken and replaced with specified limitations of use of local dollars for salary enhancements outside the program of basic education. • Limits district average CAS and CLS pay to state allocation multiplied by the localization factor. • Creates a School Employees Benefit Board. • Eliminates I-732 COLA and states legislative intent to provide a COLA using IPD. 	<ul style="list-style-type: none"> • Technical Working Group established to make recommendations to the legislature for a regionalized, market based salary allocation model for all three staff types. Recommendation due by December 2016, and must include: <ul style="list-style-type: none"> ○ Market rate in lowest cost district and a regionalization factor for each district; ○ Salary grid simplification or elimination; and ○ Limiting use of school district levies to enhancements to the program of basic education. • Beginning school year 2018-19, new state K-12 salary allocation model based on the estimated market rate to hire and retain teachers in each school district. • New state funding fully implemented in a single year. • Estimate of market rate salary must be based on data that is repeatable, allowing for review and revision at least every 10 years.
<i>Regional Salary Allocation</i>	<ul style="list-style-type: none"> • Does not address regionalization. 	<ul style="list-style-type: none"> • Does not address regionalization. 	<ul style="list-style-type: none"> • Provides that a localization factor must be applied to be the base salary amounts. • Localization factor is to be calculated annually by Employment Sec. Dept. based on comparable occupations by Metropolitan Statistical Area (MSA). 	<ul style="list-style-type: none"> • New model to be recommended by Technical Working Group with a regionalization factor for each school district. • Regionalization recommendation must be based on data that is repeatable, allowing for review and revision at least every 10 years.

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<i>School District M&O Levy</i>	<ul style="list-style-type: none"> Beginning CY 2018, M&O levies are reduced by the amount of state funding provided for K-12 salary enhancements in the prior school year. Levies may not be reduced below a rate of \$1.00/\$1,000 AAV. Levy reduction expires after the CY 2022 levy. Beginning CY 2023, M&O levies are limited to a rate of \$1.00/\$1,000 AAV. Levy dollars only permitted for non-basic education enhancements. 	<ul style="list-style-type: none"> For districts grandfathered at a higher lid, new salary allocations are to be considered levy reduction funds, reducing those district's levy. Levy "cliff" is unchanged. OFM w/assistance & support of OSPI is directed to convene a levy reduction technical working group to develop a phase-in plan for reducing local levy authority and eliminating grandfather levy authority. <ul style="list-style-type: none"> One rep each from OST, DOR, LEAP, SD & ESD finance mgrs., WEA, WSSDA, PSE, etc. 	<ul style="list-style-type: none"> Beginning CY 2018, M&O levies are reduced by the amount of state funding provided for K-12 salary enhancements in the prior school year. Levies may not be reduced below a rate of \$1.25/\$1,000 AAV. Beginning CY 2020, M&O levies are limited to a rate of \$1.25/\$1,000 AAV. Levy dollars only permitted for non-basic education enhancements. 	<ul style="list-style-type: none"> CY 2018, M&O levies are reduced by an amount equal to the state appropriated allocation for the new state funding allocated to the district for compensation for SY 2018-19. CY 2019, the existing M&O system is eliminated and replaced with a lid of \$2,500 per pupil, with a limit no less than \$100,000. School districts must request voter approval for collection of the new per pupil levy prior to collection in CY 2019.
<i>Local Effort Assistance</i>	<ul style="list-style-type: none"> CY 2018 - CY 2022 - LEA is frozen at the level paid to districts for CY 2017. Beginning CY 2023 - LEA is calculated based on a median per pupil levy rate. Formula: LEA = (median state per pupil levy - district per pupil levy) x district enrollment. 	<ul style="list-style-type: none"> Does not specify changes to the Local Effort Assistance Program. 	<ul style="list-style-type: none"> CY 2018 - CY 2019 - LEA is frozen at the level paid to districts for CY 2017. Beginning CY 2020 - LEA is calculated based on a median per pupil levy rate. Formula: LEA = (median state per pupil levy - district per pupil levy) x district enrollment. 	<ul style="list-style-type: none"> CY 2018 LEA formula is unchanged from current law. A hold harmless is proved for the SY 2017-18 reduction in LEA related to the transition year. Beginning in CY 2019, the current LEA system is replaced with a new Lea system that equalizes to one-half of the statewide median M&O levy rate per pupil.

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<i>Other</i>	<ul style="list-style-type: none"> State auditor is required to report any non-compliant use of levy funds to the Legislature. 	<ul style="list-style-type: none"> Requires a comparable wage analysis be conducted every four years, beginning in 2027. I-1351 enhancements to the prototypical school model are maintained. The implementation schedule is delayed to start in 2017-19 and to be implemented in increments of 1/3 rather than 1/2. 	<ul style="list-style-type: none"> School districts must have separate account for M&O funds. School districts must provide separate account for expenditures of State, Federal & Local funds and also for basic and non-basic education expenditures. Prohibits employer contribution to 401K type plans. Collective Bargaining Agreements (CBA) must be submitted to auditor for review No CBA increases in 2015-17, unless increases are in the omnibus operating budget 	<ul style="list-style-type: none"> For school year 2017-18 the state allocates the state property level proceeds to school districts to supplant the reduction to the local M&O that occurs prior to the new compensation allocation.
<i>State Property Tax Revenue</i>	<ul style="list-style-type: none"> Does not specify any changes to the state property tax. 	<ul style="list-style-type: none"> Does not specify any changes to the state property tax. 	<ul style="list-style-type: none"> The state property tax rate is increased to: <ul style="list-style-type: none"> \$2.70 for taxes collected in CY 2018 \$3.50 for taxes collected in CY 2019 \$3.60 for taxes collected in CY 2020. <i>Note - During Senate W&M public hearing, staff indicated that there was a technical drafting error and these rates should be \$3.15, \$3.50 and \$3.30 respectively.</i> For these three years, the 1% revenue growth limit is not applied. 	<ul style="list-style-type: none"> The state property tax rate is increased to: <ul style="list-style-type: none"> \$3.33 for taxes collected in CY 2018 \$3.25 for taxes collected in CY 2019. Beginning with CY 2020 the 1% revenue growth limit is revised from a limit of 1% to the Seattle Consumer Price Index.
<i>Capital Gains Tax</i>	<ul style="list-style-type: none"> Does not include capital gains tax. 	<ul style="list-style-type: none"> Includes a capital gains tax beginning January 1, 2016. 	<ul style="list-style-type: none"> Does not include capital gains tax. 	<ul style="list-style-type: none"> Does not include capital gains tax.